Sanitized Copy Approved for Release 2010/06/24 : CIA-RDP87T00759R000100040007-6



STAT

STAT

Sanitized Copy Approved for Release 2010/06/24: CIA-RDP87T00759R000100040007-6

THE DIRECTOR OF CENTRAL INTELLIGENCE

National Intelligence Council

15 March 1985

NOTE FOR:

C/Japan Branch/OEA
4G31

FROM:

Acting NIO/Econ

SUBJECT: Attached Draft to be LDXed to Treasury and NSC re Japanese

Trade Negotiations

Can you indicate for me as back-up which items fall into category of "reciprocal" treatment, on the lists?

Please also comment on the draft paper.

STAT

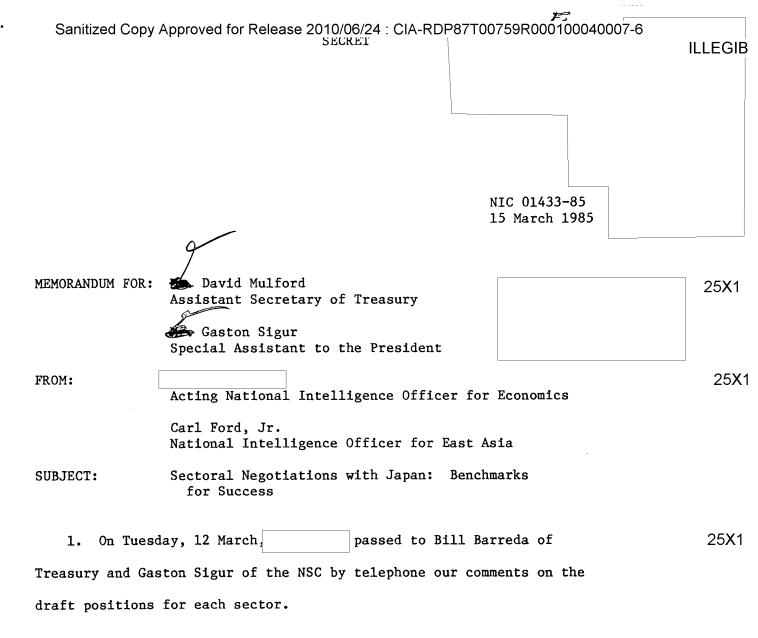
STAT

STAT

Sanitized Copy Approved for Release 2010/06/24 : CIA-RDP87T00759R000100040007-6

| MEMORANDUM OF CALL | Previous editions usable |
|--|---|
| TO: DL/K | R |
| YOU WERE CALLED BY- | YOU WERE VISITED BY— |
| OF (Organization) | L Ford's office |
| PLEASE PHONE > | FTS AUTOVON |
| WILL CALL AGAIN | IS WAITING TO SEE YOU |
| RETURNED YOUR CALL | WISHES AN APPOINTMENT |
| MESSAGE 11433 | -85 Lh to |
| De Sigur | -85 Lh to, looks |
| fine. | |
| | |
| RECEIVED BY | DATE TIME |
| 33-110 NSN 7540-00-634-4018 \$\text{\$\psi\$}\ U.S. \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ | STANDARD FORM 63 (Rev. 8-81) Prescribed by GSA FPMR (41 CFR) 101—11.6 |

Sanitized Copy Approved for Release 2010/06/24 : CIA-RDP87T00759R000100040007-6 If your goal is to tell Mulford that a SIG-IEP will be necessary to thrash out and bless a bottom line, this memo does fine. What I don't understand is the message we wish to cenvey. Presumably it is that this time on this issue marginalism is not enough and we want to warn you (Makasone) early on that some very deep large changes are needed. If this is the case, a very general discussion avviding technical language would be sufficient (with a few examples thrown in). Trankly however, I believe it is too early to anvey a bottom line, I think it would be better if Olmer's tough talk med a brick wall before the message is conveyed. STAT



2. In light of the delay in conveying these points to Prime Minister Nakasone, we thought it would be a good idea to summarize our position

for you on paper.

Our understanding of what was decided at the Saturday morning 9 March 1985 meeting of the Senior Ad Hoc Group was that (1) we would not alter US trade policy to insist on reciprocal treatment and (2) that we would put together our "bottom line" (not a negotiating position) and convey this privately to Prime Minister Nakasone.

Sanitized Copy Approved for Release 2010/06/24 : CIA-RDP87T00759R000100040007-6

- 3. Our reaction to the position paper is that it contains elements of requiring reciprocal treatment (rather than correcting the discriminatory application of national treatment) and that it is in fact a negotiating position. Accordingly, we believe that Japan will react very negatively to this posture. Not only do we consider it highly unlikely that Japan could accept this extensive list, but we believe they will perceive this as a very hard line showing little flexibility and understanding by the US. Accordingly, if this list is conveyed to the Japanese as a "bottom line" position by the US, without further room for bargaining, we believe it could be counterproductive. The Japanese may become defensive, may start talking tough in response, and may consider retaliatory action.
- 4. On the other hand, this could be conveyed as a summary of the US negotiating position, but this of course would not serve the purpose of giving Prime Minister Nakasone a glimpse of the minimal US requirements.

25X1

Carl Ford Jr.

SECRET